

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
ANNUAL FINANCIAL REPORT
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

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JOHN S. DOWLING & COMPANY
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA
 1904-1984
 John Newton Stout, CPA
 1936-2005
 Chizal S. Fontenot, CPA
 1955-2012

Retired

Harold Dupre, CPA
 1996
 Dwight Ledoux, CPA
 1998
 Joel Lanclos, Jr., CPA
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 2005

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Board of Commissioners
 Te Mamou Water District
 Ville Platte, Louisiana

We have reviewed the accompanying financial statements of the business-type activity of Te Mamou Water District, a component unit of the Evangeline Parish Police Jury, as of and for the years ended June 30, 2012 and 2011, which collectively comprise the Water District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Water District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management of the Water District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated, September 12, 2012 on the results of our agreed-upon procedures.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The other supplementary information as listed in the table of contents on pages 14-20 is presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by

The Board of Commissioners
Te Mamou Water District
Ville Platte, Louisiana
Page 2

the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

Management has not presented the management's discussion and analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

John S. Devolung & Company
Opelousas, Louisiana
September 12, 2012

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
STATEMENTS OF NET ASSETS
JUNE 30, 2012 AND 2011

<u>ASSETS</u>	<u>BUSINESS – TYPE ACTIVITIES</u> <u>PROPRIETARY FUND</u>	
	<u>2012</u>	<u>2011</u>
<u>CURRENT ASSETS</u>		
Cash on hand	\$ 297	\$ 300
Citizens Bank		
Checking	248,215	165,129
Certificates of deposit	225,000	225,000
Accounts receivable	36,960	42,319
Prepaid insurance	10,683	9,807
<u>Total current assets</u>	<u>521,155</u>	<u>442,555</u>
<u>PROPERTY, PLANT, AND EQUIPMENT</u>		
Water system	1,497,669	1,474,884
Office building	21,616	21,616
Office equipment	26,016	26,016
Vehicles	18,500	18,500
	<u>1,563,801</u>	<u>1,541,016</u>
Less: Allowance for depreciation	<u>(916,212)</u>	<u>(870,211)</u>
	647,589	670,805
Land	16,109	16,109
<u>Total property, plant,</u> <u>and equipment</u>	<u>663,698</u>	<u>686,914</u>
<u>OTHER ASSETS</u>		
Meter deposits	12	12
<u>Total assets</u>	<u>1,184,865</u>	<u>1,129,481</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 2,130	\$ 2,190
Safe drinking water tax payable	2,163	2,195
Customer meter deposits	47,537	45,045
Payroll taxes payable	1,016	932
<u>Total current liabilities</u>	<u>52,846</u>	<u>50,362</u>
<u>Total liabilities</u>	<u>52,846</u>	<u>50,362</u>
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	663,698	686,914
Unrestricted	468,321	392,205
<u>Total net assets</u>	<u>1,132,019</u>	<u>1,079,119</u>
<u>Total liabilities and net assets</u>	<u>1,184,865</u>	<u>1,129,481</u>

See accompanying notes and independent accountant's review report.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>BUSINESS – TYPE ACTIVITIES</u> <u>PROPRIETARY FUND</u>	
	<u>2012</u>	<u>2011</u>
<u>OPERATING REVENUES</u>		
Water sales	\$ 252,703	\$ 247,254
Service charges	3,167	3,455
Installation charges	3,922	4,172
Late charges	1,818	1,765
Miscellaneous	9,052	167
<u>Total operating revenues</u>	<u>270,662</u>	<u>256,813</u>
<u>OPERATING EXPENSES</u>		
Current		
Salaries	26,781	24,833
Contract labor	24,388	30,225
Payroll taxes	4,823	4,915
Directors' fees	36,912	34,030
Vehicle expense	528	390
Postage	2,829	2,458
Insurance	12,131	11,914
Legal and accounting	3,400	3,500
Chlorine	5,537	2,814
Repairs and maintenance	16,835	14,106
Office expenses	747	1,099
Utilities	31,725	33,111
Miscellaneous	8,494	5,168
Depreciation	46,001	43,426
<u>Total operating expenses</u>	<u>221,131</u>	<u>211,989</u>
<u>OPERATING INCOME</u>	<u>49,531</u>	<u>44,824</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest earnings	3,369	4,204
<u>Total nonoperating revenues (expenses)</u>	<u>3,369</u>	<u>4,204</u>
<u>CHANGE IN NET ASSETS</u>	52,900	49,028
<u>NET ASSETS, beginning of year</u>	<u>1,079,119</u>	<u>1,030,091</u>
<u>NET ASSETS, end of year</u>	<u>1,132,019</u>	<u>1,079,119</u>

See accompanying notes and independent accountant's review report.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>BUSINESS – TYPE ACTIVITIES</u> <u>PROPRIETARY FUND</u>	
	<u>2012</u>	<u>2011</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers	\$ 278,481	\$ 249,424
Cash paid to suppliers	(83,162)	(73,020)
Cash paid to employees	(92,820)	(93,071)
<u>Net cash provided by operating activities</u>	<u>102,499</u>	<u>83,333</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING</u> <u>ACTIVITIES</u>		
Purchase of property, plant, and equipment	(22,785)	(49,911)
<u>Net cash used by capital and</u> <u>related financing activities</u>	<u>(22,785)</u>	<u>(49,911)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest earned	3,369	4,204
<u>Net cash provided by investing activities</u>	<u>3,369</u>	<u>4,204</u>
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	83,083	37,626
<u>CASH AND CASH EQUIVALENTS, beginning of year</u>	<u>165,429</u>	<u>127,803</u>
<u>CASH AND CASH EQUIVALENTS, end of year</u>	<u>248,512</u>	<u>165,429</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u> <u>PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating income	\$ 49,531	\$ 44,824
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	46,001	43,426
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	5,359	(9,726)
(Increase) decrease in prepaid expense	(876)	(127)
Increase (decrease) in payables	(8)	2,651
Increase (decrease) in meter deposits	2,492	2,285
<u>Net cash provided by operating activities</u>	<u>102,499</u>	<u>83,333</u>

See accompanying notes and independent accountant's review report.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. NATURE OF ACTIVITIES

Te Mamou Water District is governed by a five member board of commissioners, appointed by the Evangeline Parish Police Jury, who are authorized to construct, maintain, and improve the Waterworks System within the District.

B. SCOPE OF ENTITY

As the governing authority of the parish, for reporting purposes, the Evangeline Parish Police Jury is the financial reporting entity for Evangeline Parish.

The financial reporting entity consists of (a) the primary government (Police Jury) (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Evangeline Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Police Jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.
2. Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Police Jury appoints a voting majority of the Water District's governing body and the Police Jury has the ability to impose its will on the Water District, the Water District was determined to be a component unit of the Evangeline Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Water District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. BASIS OF PRESENTATION

These financial statements were prepared in accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*. All activities of the Water District are accounted for with a single proprietary (enterprise) fund. This type of fund is used to report any activity for which a fee is charged to external users for goods and services. In addition, these financial statements include the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and related standards

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the Statement of Net Assets, business-type activities are presented using the economic resources measurement focus.

The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the Statement of Net Assets, business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Unbilled and billed utility receivables are recorded at year-end. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Purchases of operating supplies are regarded as expenditures at the time purchased and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year, unless material.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the continuing operations of the fund. Principle operating revenues for proprietary funds are charges to customers for sales or services. Principle operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as nonoperating in the financial statements.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The District has elected not to follow subsequent private-sector guidance.

E. INVESTMENTS

Investments are recorded at cost, which approximates market. The Water District's investments consist of certificates of deposit.

Louisiana statutes authorize Te Mamou Water District to invest in United States bonds, treasury notes or certificates, time certificates of deposit in state and national banks, the Louisiana Asset Management Pool, or any other federally insured investment.

F. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Depreciation is considered an estimate.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

G. CAPITAL ASSETS

Capital assets (including infrastructure assets), which constitute assets of the Proprietary Fund, are recorded at cost and depreciation is computed under the straight-line method and the modified accelerated cost recovery method. The service lives by type of asset are as follows:

Water system	7-50 years
Equipment	5-10 years
Buildings/improvements	30-31.5 years

Interest costs during construction are not capitalized.

H. BUDGET ACCOUNTING

Te Mamou Water District is not required to adopt a budget for its Proprietary Fund.

I. STATEMENT OF CASH FLOWS

For purposes of reporting cash flows, all highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents.

J. ENCUMBRANCES

Te Mamou Water District does not employ the encumbrance system of accounting.

K. BAD DEBTS

Te Mamou Water District has a policy of recognizing uncollectible amounts of water billings at the time information becomes available which would indicate the uncollectibility of the receivable.

L. RETIREMENT

The District maintains no retirement system.

M. COMPENSATED ABSENCES

No accrual has been made for vacation or sick pay due to the insignificance of the amounts involved.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE (2) - CASH AND INVESTMENTS

At June 30, 2012, the bank balance of cash in the checking account was \$254,945 and the carrying amount was \$248,215. At June 30, 2012, the bank balance and carrying amount of certificates of deposit were \$225,000. Of the bank balances, \$250,000 was covered by the FDIC and \$229,945 was covered by security pledged.

At June 30, 2011, the bank balance of cash in the checking account was \$169,259 and the carrying amount was \$165,129. At June 30, 2011, the bank balance and carrying amount of certificates of deposit were \$225,000. Of the bank balances, FDIC insurance covers \$250,000 and securities pledged by the bank covers the balance.

NOTE (3) - ACCOUNTS RECEIVABLE

The accounts receivable of the Te Mamou Water District, consist of uncollected billed and unbilled utility services. An aging schedule is as follows:

<u>Days</u>	<u>June 30, 2012</u>		<u>June 30, 2011</u>	
	<u>Amounts</u>	<u>Approximate Number of Accounts</u>	<u>Amounts</u>	<u>Approximate Number of Accounts</u>
Current	\$ 23,465	852	*	*
0-30	1,877		*	
31-60	202		*	
60 and older	68		*	
<u>Total</u>	<u>25,612</u>		<u>\$ 29,320</u>	
Unbilled receivables	<u>11,348</u>		<u>12,999</u>	
	<u>36,960</u>		<u>42,319</u>	

* Not available.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE (4) - PROPERTY, PLANT, AND EQUIPMENT

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Land	\$ 16,109	\$ -	\$ -	\$ 16,109
Capital assets being depreciated				
Plant and water system	1,474,884	22,785	-	1,497,669
Office building	21,616	-	-	21,616
Office equipment	26,016	-	-	26,016
Vehicle	18,500	-	-	18,500
<u>Total capital assets</u>	<u>1,557,125</u>	<u>22,785</u>	<u>-</u>	<u>1,579,910</u>
Less accumulated depreciation for:				
Plant and water system	(832,465)	(38,715)	-	(871,180)
Office building	(12,953)	(786)	-	(13,739)
Office equipment	(17,701)	(2,800)	-	(20,501)
Vehicle	(7,092)	(3,700)	-	(10,792)
<u>Total accumulated depreciation</u>	<u>(870,211)</u>	<u>(46,001)</u>	<u>-</u>	<u>(916,212)</u>
<u>Total capital assets, net</u>	<u>686,914</u>	<u>(23,216)</u>	<u>-</u>	<u>663,698</u>

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE (4) - PROPERTY, PLANT, AND EQUIPMENT – Continued

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Land	\$ 16,109	\$ -	\$ -	\$ 16,109
Capital assets being depreciated				
Plant and water system	1,424,973	49,911	-	1,474,884
Office building	21,616	-	-	21,616
Office equipment	26,016	-	-	26,016
Vehicle	18,500	-	-	18,500
<u>Total capital assets</u>	<u>1,507,214</u>	<u>49,911</u>	<u>-</u>	<u>1,557,125</u>
Less accumulated depreciation for:				
Plant and water system	(796,748)	(35,717)	-	(832,465)
Office building	(12,167)	(786)	-	(12,953)
Office equipment	(14,478)	(3,223)	-	(17,701)
Vehicle	(3,392)	(3,700)	-	(7,092)
<u>Total accumulated depreciation</u>	<u>(826,785)</u>	<u>(43,426)</u>	<u>-</u>	<u>(870,211)</u>
<u>Total capital assets, net</u>	<u>680,429</u>	<u>6,485</u>	<u>-</u>	<u>686,914</u>

NOTE (5) - BOARD MEMBER COMPENSATION

The Board of Commissioners is comprised of five members. The members' compensations vary based on the duties and responsibilities of their office. Board member compensations totaled \$36,912 during the 2012 fiscal year and \$34,030 during the 2011 fiscal year.

NOTE (6) - RISK MANAGEMENT

The District is exposed to risks of loss in the areas of general liability, property hazards, and workers' compensation. Those risks are handled by purchasing commercial insurance.

TE MAMOU WATER DISTRICT
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE (7) - SUBSEQUENT EVENTS

Subsequent events were evaluated through September 12, 2012, which is the date the financial statements were available to be issued. As of September 12, 2012, there were no subsequent events noted.

NOTE (8) - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Te Mamou Water District does not provide any post-employment benefits to retirees and therefore is not required to report under GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

6/1/2012 (Date Transmitted)

John S. Dowling & Company
PO Box
Opelousas, LA 70571- (Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [☒] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [☒] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [☒] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [☒] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [☒] No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [☒] No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [☒] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:1 through 42:13.

Yes [☒] No [☐]

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [☒] No [☐]

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

Date Jan 11, 1964 Secretary _____

Date January 1, 1985 Treasurer _____

Date June R. Mercin President

James L. Nicholson, Jr., CPA
 G. Kenneth Pavy, II, CPA
 Michael A. Roy, CPA
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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

The Board of Commissioners
 Te Mamou Water District
 Ville Platte, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Te Mamou Water District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Te Mamou Water District's compliance with certain laws and regulations during the year ended June 30, 2012 included in the accompanying Louisiana Attestation Questionnaire. Management of Te Mamou Water District is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$30,000 or public works exceeding \$150,000, and determine whether such purchases were made in accordance with RS 38:2211-2296 (the public bid law).

No expenditures were made for materials and supplies exceeding \$30,000 or public works exceeding \$150,000 during the fiscal year ended June 30, 2011.

The Board of Commissioners
Te Mamou Water District
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Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

The employees included on the list provided by management in agreed-upon procedure (3) were not included on the listing obtained in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Te Mamou Water District's operations are accounted for in a proprietary fund which is not required to adopt a budget.

6. Trace the budget adoption and amendments to the minute book.

Te Mamou Water District's operations are accounted for in a proprietary fund which is not required to adopt a budget.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more, or if actual expenditures exceed budgeted amounts by more than 5%.

Te Mamou Water District's operations are accounted for in a proprietary fund which is not required to adopt a budget.

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Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- (a) Trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the 6 selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) Determine if payments were properly coded to the correct fund and general ledger account;
and

Payments were properly coded to the correct fund and general ledger account.

- (c) Determine whether payments received approval from proper authorities.

All payments were properly approved by the Treasurer and the President of the Board of Commissioners.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by RS 42:1 through 42:13 (the open meetings law).

Te Mamou Water District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office. Management has asserted that such documents were properly posted, and the notices are included with the minutes. The notices were also observed by the reviewer.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

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Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances, or gifts.

A reading of the minutes of the District for the year indicated no approval for any such payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Te Mamou Water District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

John L. Dowling & Company
Opelousas, Louisiana
September 12, 2012

TE MAMOU WATER DISTRICT
SCHEDULE OF PRIOR AND CURRENT YEAR FINDINGS AND
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2012

I. PRIOR YEAR FINDINGS:

Compliance

None

Internal Control Over Financial Reporting

Item 11-1 – Inadequate Segregation of Accounting Functions

Finding: Due to the small number of employees, the Water District did not have adequate segregation of functions within the accounting system.

Status: Unresolved. See item 12-1.

II. CURRENT YEAR FINDINGS AND MANAGEMENT'S CORRECTIVE ACTION PLAN:

Compliance

There are no findings that are required to be reported.

Internal Control Over Financial Reporting

Item 12-1 – Inadequate Segregation of Accounting Functions

Finding: Due to the small number of employees, the Water District did not have adequate segregation of functions within the accounting system.

Management's corrective action plan: Management has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.